



North Carolina
Department of Health and Human Services
Division of Medical Assistance
Recipient Services MEU

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

L. Allen Dobson, Jr., M.D., Assistant Secretary
for Health Policy and Medical Assistance

November 27, 2006

Re: Loss of LIS Deemed Status

Dear County Director of Social Services:

Certain groups of Medicare beneficiaries automatically qualify (are deemed eligible) for the Low Income Subsidy (LIS). Refer to MAABD Manual Section 2310, Taking the LIS Application, II.C. This includes full-benefit dual eligible individuals (individuals with Medicare and full Medicaid benefits). It also includes partial dual eligible individuals (individuals who are MQB recipients), and people who receive Supplemental Security Income (SSI) and Medicare who are not on buy-in in North Carolina.

The purpose of this letter is to notify you of a report that is in NCXPTR that is a list of individuals who as of mid September 2006 will be losing their LIS Deemed Status effective January 1, 2007. The LIS will continue if the person:

- 1. Is approved for Medicaid and included in one of the monthly MMA files that North Carolina sends to CMS from September 2006 forward, or**
- 2. Reapplies for LIS and is approved, or**
- 3. Is approved for SSI.**

In October 2006 these individuals received letters from the Center for Medicare and Medicaid Services (CMS) explaining the loss of LIS, with an enclosed LIS application/postage paid envelope, along with other helpful information. Some of these individuals will have the LIS continued because their buy-in has been reinstated.

Ensuring that an individual is on buy-in so he will be included in the MMA file that the State sends to CMS is very important so that the individual's low income subsidy is continued. For potential LIS individuals whose Medicaid is terminated, applying early for the LIS is important so the extra help can be effective as early as January 1, 2007. You can assist them in completing and mailing Social Security's LIS application. If eligible for Medicaid, take and process a Medicaid application.

It is important to note that in the event that any individual, who CMS notified as losing his LIS Deemed Status in 2007 becomes newly eligible for Medicaid or SSI in future months, CMS will mail him a new letter informing him that he now automatically qualifies for LIS.

The report in NCXPTR is titled **DHRWBD LOSS OF LIS DEEMED STATUS** and is available now. This report is sorted by last name. Neither the Medicaid number nor the county name or number was included by CMS on the file. The report lists the following data for individuals who were notified as losing their deemed LIS status:

- Beneficiary's Health Insurance Claim Number (RSDI Claim#)
- Representative Payee Name
- Beneficiary's Name
- Address (Payee's address if beneficiary has a representative payee)
- LIS Copay Category 2006
- Deemed Reason Code 2006
- Deemed Start Date

CMS associates individuals with a particular State on the basis of their mailing address in CMS' systems. This may differ from the State's address data. If an individual has a representative payee (a status designated by the Social Security Administration to identify an individual authorized to make financial decisions on behalf of a beneficiary), the representative payee address is the address of record in CMS. Thus, individuals may be included on the North Carolina file even though North Carolina has no record of Medicaid eligibility for that person. An individual residing in North Carolina with a representative in another state may be omitted from the one-time file even though he has Medicaid eligibility in North Carolina.

Below are a list of codes that correspond with the LIS Copay Category 2006 in the report field and indicate the reason LIS was deemed for the individual. You should utilize these codes when checking the report for an individual's LIS status.

LIS Subsidy Copay Category 2006

Cost-Sharing paid by individual currently.

1= Up to \$2 and \$5 (some full duals > 100% FPL, all partial duals and all SSI-only recipients)

2= Up to \$1 and \$3 (full duals < 100% FPL)

3= \$0 (institutionalized full duals)

Deemed Reason Code 2006

Reason why individual was deemed eligible.

1 = QMB only (partial dual) (MQB-Q)

2A = QMB and Medicaid benefits and FPL > 100% (full dual) (MAABD-Q, SAAD-Q)

2B = QMB and Medicaid benefits and FPL = or < 100% (full dual) (MAABD-Q, SAAD-Q)

3 = SLMB only (partial dual) (MQB-B)

4A = SLMB and Medicaid benefits and FPL > 100% (full dual) (MAABD-B)

4B = SLMB and Medicaid benefits and FPL = or < 100% (full dual) (MAABD-B)

6 = Qualifying Individuals (QI) (partial dual) (MQB-E)

8A = Other Full Dual Eligibles and FPL > 100% (MAABD-M, MAABD-N, SAAD-C, MPW, MAF, MIC, AAF, and MSB)

8B = Other Full Dual Eligibles and FPL = or < 100% (MAABD-M, MAABD-N, SAAD-C, MPW, MAF, MIC, AAF, and MSB)

11 = MBD 3rd Party (partial dual) (From the third party buy-in file)

12 = EEVS (full dual) (State reported data from the Enrollment and Eligibility Verification System)

UK = Unknown

If you have any questions regarding this information, please contact your Medicaid Program Representative.

Sincerely,

L. Allen Dobson

(This material was researched and written by Linda Faulkner, Program Consultant, MEU.)